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May 9, 2022

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia SC 29210

**Re: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's 2023
Avoided Cost Proceeding Pursuant to S.C. Code Ann. Section 58-41-20(A)
Docket Nos. 2023-16-E & 2023-17-E**

Questions for Prospective Consultants

Dear Ms. Boyd:

Pursuant to Directive Order No. 2022-337 issued by the Public Service Commission of South Carolina (the "Commission") on May 5, 2022, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, the "Companies") are hereby providing the Commission with proposed questions for the prospective consultant to be engaged pursuant to S.C. Code Ann. § 58-41-20(I). This statutory provision requires the Commission to engage "a qualified independent third party to submit a report that includes the third party's independently derived conclusions as to that third party's opinion of each utility's calculation of avoided costs for purposes of proceedings conducted pursuant to this section."

The following sets forth the questions the Companies present for consideration of prospective consultants:

1. Have you or your employer served in an advisory or consulting capacity or received compensation from any of the following individuals or entities? If so, please provide details surrounding the nature of the engagement.
 - a. Any party to this docket;
 - b. An affiliate to any party to this docket;
 - c. Any member company of the Carolinas Clean Energy Business Association;
 - d. Any electric utility or organization representing electric utilities;
 - e. Any member of the solar industry or organization representing the solar industry;
 - f. Any independent power producer or organization acting on behalf of independent power producers;

- g. Any legislative or executive body, state agency, or other organization representing the using and consuming public;
 - h. Any organization representing environmental advocates; and
 - i. Any utility commissions, organization representing utility commissions, or the Federal Energy Regulatory Commission.
2. Please describe your qualifications and experience providing advisory or consulting services or testifying as an expert witness in matters or proceedings relating to the Public Utility Regulatory Policies Act of 1978 ("PURPA").
3. Have you or your employer adopted or advocated for any positions in any public forum on the issues expected to arise in this proceeding? If so, how would this impact your ability to advise the Commission independent of such previous positions?
4. Please describe your understanding of the ex parte prohibition set forth in S.C. Code Ann. § 58-41-20(I) and Chapter 3 of Title 58, and how you expect to comply with those prohibitions while carrying out your duties as an independent third-party consultant.
5. Please explain the process you would follow to independently derive conclusions regarding the calculation of each electrical utility's calculation of avoided costs and what experience you have developing a report on the calculations of avoided costs under PURPA, as contemplated in S.C. Code Ann. § 58-41-20(I)?
6. Please describe your understanding and experience either utilizing or analyzing methodologies to implement the avoided cost requirements of PURPA.
 - a. Do you have specific familiarity with the peaker methodology, as described in the *PURPA Title II Compliance Manual* published by the National Association of Regulatory Utility Commissioners ("NARUC"), the Edison Electric Institute, and other industry organizations in 2014.
 - b. Do you have specific familiarity with the FERC's regulations addressing methodologies for establishing avoided cost (18 C.F.R. 292.304) including but not limited to by using a competitive price or through competitive solicitations under PURPA?
 - c. Do you have specific familiarity with competitive procurements of generating resources as contemplated under PURPA and related caselaw?
7. Please describe your understanding of ancillary services requirements and your experience with studying, planning for, and/or maintaining the reliability of a complex transmission and distribution system.
8. Please describe your experience with assessing regulating reserve requirements on a utility's system.
9. To the extent avoided cost calculations require a detailed understanding of power system modeling, do you have any experience running or supervising utility system production

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cost models used by utilities across the country for integrated resource planning and avoided cost calculations? If so, please describe which models you have experience with and in what capacity did you utilize these models?

10. What modeling toolset do you intend to use (e.g., PROMOD, ProSym, e7 Portfolio Optimization, Plexos, Aurora, Encompass, etc.)? If you intend to contract with another organization to conduct modeling, with what organization do you intend to contract?
11. Do you have any experience modeling or studying the South Carolina power system?
12. What is your general understanding of the customer demand profile in South Carolina and the generation resource mix that serves South Carolina?
13. What is your general understanding of South Carolina Act 62?
14. What is your experience with regulated utilities' Integrated Resource Planning ("IRP") across the country? Have you ever filed testimony or advocated for a party in an IRP proceeding before a state regulatory commission? If so, please provide the commission, docket number, and party represented.

The Companies appreciate the opportunity to provide these proposed questions.

Kind regards,



Samuel J. Wellborn

cc: Parties of record